



Claire McCaskill

Missouri State Auditor

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September 2005

December 31, 2004 and 2003

Texas County, Missouri

Years Ended



Office Of  
Missouri State Auditor  
Claire McCaskill

September 2005

**IMPORTANT: The Missouri State Auditor is required by state law to conduct audits once every 4 years in counties, like Texas, that do not have a county auditor. In addition to a financial and compliance audit of various county operating funds, the State Auditor's statutory audit covers additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.**

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This audit of Texas County included additional areas of county operations, as well as the elected county officials. The following concerns were noted as part of the audit:

- The former Ex Officio County Collector did not document that some monies spent from the Collector Tax Maintenance Fund complied with state law, which requires this money to be spent for the administration and operation of the collector's office. In July 2004, \$7,591 was spent to help pay for heating and air conditioning for the first floor of the courthouse, and in March 2005, the entire balance of the fund, \$3,043, was transferred to the county's General Revenue Fund to help pay for cleaning equipment for the courthouse. The County Commission believes the former Ex Officio County Collector's actions were appropriate and the money was spent wisely. The former Ex Officio County Collector indicated the money was spent in accordance with state law and in a manner which not only benefited her office but others as well. The current Ex Officio County Collector indicated she has requested the County Commission to consider transferring this money back to the Collector Tax Maintenance Fund because her office has specific needs which could be met with this money.
- The Public Administrator does not file annual settlements on a timely basis as required by state law. During 2003, 2004, and the first few months of 2005, annual settlements were filed 4 to 33 months after their due date. In addition, Public Administrator fees paid to the county decreased from \$22,000 in 2002 to \$5,000 in 2004.
- The current Prosecuting Attorney has custody of a bank account in which restitution and fees were deposited by the prior officeholder. While the current Prosecuting Attorney has identified and disbursed some of the money in this account, an attempt should be made to identify the remaining \$30,000, and any balance unclaimed or unidentified should be disposed of in accordance with state law.

In addition, the Prosecuting Attorney needs to deposit receipts in a more timely manner, follow up on old outstanding checks, prepare and document bank reconciliations, and prepare listings of open items (liabilities).

(over)

YELLOW SHEET

- Accounting and bookkeeping duties of the Sheriff's office are not adequately segregated, some receipts are not deposited in a timely manner, some old outstanding checks need to be reissued or disbursed as unclaimed property, and bank reconciliations are not documented.
- The Associate Circuit Division needs to deposit receipts more timely and prepare listings of open items (liabilities) for the criminal/traffic account and bond account.
- The Assessor does not issue receipt slips for some monies and does not indicate the method of payment for receipts. Checks and money orders are not restrictively endorsed immediately upon receipt and are not maintained in a secure location before they are transmitted to the County Treasurer.

**All reports are available on our website: [www.auditor.mo.gov](http://www.auditor.mo.gov)**

TEXAS COUNTY, MISSOURI

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FINANCIAL SECTION

State Auditor's Reports



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL  
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS**

To the County Commission  
and  
Officeholders of Texas County, Missouri

We have audited the accompanying Statements of Receipts, Disbursements, and Changes in Cash - Various Funds and Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual - Various Funds of Texas County, Missouri, as of and for the years ended December 31, 2004 and 2003. These financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed more fully in Note 1, these financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Texas County, Missouri, as of December 31, 2004 and 2003, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Texas County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 2004 and 2003, on the basis of accounting discussed in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated June 30, 2005, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole, that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole, that were prepared on the basis of accounting discussed in Note 1.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Texas County, Missouri, and was not subjected to the auditing procedures applied in the audit of the financial statements referred to above. Accordingly, we express no opinion on the information.



Claire McCaskill  
State Auditor

June 30, 2005 (fieldwork completion date)

The following auditors participated in the preparation of this report:

|                     |                       |
|---------------------|-----------------------|
| Director of Audits: | Thomas J. Kremer, CPA |
| Audit Manager:      | Mark Ruether, CPA     |
| In-Charge Auditor:  | Joyce Thomson         |
| Audit Staff:        | Terri Crader          |
|                     | Ali Arabian           |



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission  
and  
Officeholders of Texas County, Missouri

We have audited the financial statements of various funds of Texas County, Missouri, as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated June 30, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of various funds of Texas County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of various funds of Texas County, Missouri, are free of material misstatement, we performed tests of the

county's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters which are described in the accompanying Management Advisory Report.

This report is intended for the information and use of the management of Texas County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Claire McCaskill". The signature is written in a cursive, flowing style.

Claire McCaskill  
State Auditor

June 30, 2005 (fieldwork completion date)

## Financial Statements

Exhibit A-1

TEXAS COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
 YEAR ENDED DECEMBER 31, 2004

| Fund                                    | Cash,<br>January 1 | Receipts  | Disbursements | Cash,<br>December 31 |
|---|--------------------|-----------|---------------|----------------------|
| General Revenue                         | \$ 276,044         | 1,517,982 | 1,438,857     | 355,169              |
| Special Road and Bridge                 | 148,833            | 985,947   | 983,889       | 150,891              |
| Assessment                              | 0                  | 152,606   | 152,348       | 258                  |
| Law Enforcement Training                | 1,382              | 9,152     | 6,938         | 3,596                |
| Prosecuting Attorney Training           | 873                | 2,298     | 1,797         | 1,374                |
| Rescue Unit                             | 2,831              | 1,374     | 189           | 4,016                |
| Election Services                       | 645                | 18,727    | 1,052         | 18,320               |
| Hutchason Cemetery                      | 6,319              | 160       | 160           | 6,319                |
| Law Enforcement Operation               | 32,666             | 73,984    | 72,528        | 34,122               |
| WRI-TEX 911                             | 499,699            | 377,920   | 431,403       | 446,216              |
| Garner Covert Memorial                  | 15,666             | 400       | 970           | 15,096               |
| Recorder User's Fee                     | 8,267              | 19,766    | 20,799        | 7,234                |
| Prosecutor Bad Check Fee                | 11,252             | 20,745    | 31,162        | 835                  |
| Local Emergency Preparedness            | 22,717             | 9,574     | 12,575        | 19,716               |
| Concealed Firearms Permits              | 0                  | 2,865     | 0             | 2,865                |
| Domestic Violence Victim                | 10,594             | 18,959    | 27,686        | 1,867                |
| Historical and Military Museum          | 11,274             | 490       | 48            | 11,716               |
| Collector Tax Maintenance               | 8,813              | 12,308    | 18,530        | 2,591                |
| Prosecutor Delinquent Tax               | 0                  | 4,325     | 0             | 4,325                |
| State and Federal Grant                 | 0                  | 9,693     | 9,693         | 0                    |
| Health Center                           | 252,628            | 604,954   | 591,883       | 265,699              |
| Habilitation Services                   | 64,583             | 174,315   | 145,559       | 93,339               |
| Law Library                             | 5,079              | 5,095     | 141           | 10,033               |
| Circuit Clerk Interest                  | 32,453             | 1,395     | 16,956        | 16,892               |
| Associate and Probate Division Interest | 9,262              | 1,347     | 317           | 10,292               |
| Total                                   | \$ 1,421,880       | 4,026,381 | 3,965,480     | 1,482,781            |

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

TEXAS COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
 YEAR ENDED DECEMBER 31, 2003

| Fund                                    | Cash,<br>January 1 | Receipts  | Disbursements | Cash,<br>December 31 |
|---|--------------------|-----------|---------------|----------------------|
| General Revenue                         | \$ 318,173         | 1,365,270 | 1,407,399     | 276,044              |
| Special Road and Bridge                 | 140,911            | 1,421,979 | 1,414,057     | 148,833              |
| Assessment                              | 0                  | 151,370   | 151,370       | 0                    |
| Law Enforcement Training                | 347                | 6,414     | 5,379         | 1,382                |
| Prosecuting Attorney Training           | 1,044              | 1,148     | 1,319         | 873                  |
| Rescue Unit                             | 21,747             | 16,786    | 35,702        | 2,831                |
| Election Services                       | 8,660              | 1,303     | 9,318         | 645                  |
| Hutchason Cemetery                      | 6,319              | 253       | 253           | 6,319                |
| Law Enforcement Operation               | 25,432             | 68,437    | 61,203        | 32,666               |
| WRI-TEX 911                             | 546,295            | 403,375   | 449,971       | 499,699              |
| Garner Covert Memorial                  | 15,111             | 595       | 40            | 15,666               |
| Recorder User's Fee                     | 17,106             | 21,010    | 29,849        | 8,267                |
| Prosecutor Bad Check Fee                | 5,970              | 21,822    | 16,540        | 11,252               |
| Local Emergency Preparedness            | 23,669             | 10,322    | 11,274        | 22,717               |
| Domestic Violence Victim                | 10,010             | 11,956    | 11,372        | 10,594               |
| Historical and Military Museum          | 10,864             | 507       | 97            | 11,274               |
| Collector Tax Maintenance               | 536                | 11,977    | 3,700         | 8,813                |
| Health Center                           | 201,141            | 614,910   | 563,423       | 252,628              |
| Habilitation Services                   | 56,281             | 144,743   | 136,441       | 64,583               |
| Law Library                             | 8,188              | 5,085     | 8,194         | 5,079                |
| Circuit Clerk Interest                  | 33,147             | 2,693     | 3,387         | 32,453               |
| Associate and Probate Division Interest | 8,326              | 1,140     | 204           | 9,262                |
| Total                                   | \$ 1,459,277       | 4,283,095 | 4,320,492     | 1,421,880            |

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

TEXAS COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

|                                     | Year Ended December 31, |           |  |           |           |  |
|-------------------------------------|-------------------------|-----------|--|-----------|-----------|--|
|                                     | 2004                    |           |  | 2003      |           |  |
|                                     | Budget                  | Actual    | Variance<br>Favorable<br>(Unfavorable) | Budget    | Actual    | Variance<br>Favorable<br>(Unfavorable) |
| <b>TOTALS - VARIOUS FUNDS</b>       |                         |           |  |           |           |  |
| RECEIPTS                            | \$ 3,938,738            | 4,023,639 | 84,901                                 | 4,283,085 | 4,279,262 | (3,823)                                |
| DISBURSEMENTS                       | 4,411,720               | 3,948,207 | 463,513                                | 4,703,590 | 4,316,901 | 386,689                                |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (472,982)               | 75,432    | 548,414                                | (420,505) | (37,639)  | 382,866                                |
| CASH, JANUARY 1                     | 1,381,055               | 1,380,165 | (890)                                  | 1,418,219 | 1,417,804 | (415)                                  |
| CASH, DECEMBER 31                   | 908,073                 | 1,455,597 | 547,524                                | 997,714   | 1,380,165 | 382,451                                |
| <b>GENERAL REVENUE FUND</b>         |                         |           |  |           |           |  |
| RECEIPTS                            |                         |           |  |           |           |  |
| Property taxes                      | 3,100                   | 3,072     | (28)                                   | 3,200     | 3,202     | 2                                      |
| Sales taxes                         | 805,500                 | 864,725   | 59,225                                 | 808,000   | 780,040   | (27,960)                               |
| Intergovernmental                   | 198,782                 | 217,658   | 18,876                                 | 166,230   | 177,233   | 11,003                                 |
| Charges for service:                | 267,000                 | 253,987   | (13,013)                               | 240,001   | 266,619   | 26,618                                 |
| Interest                            | 9,000                   | 8,653     | (347)                                  | 11,800    | 10,967    | (833)                                  |
| Other                               | 86,648                  | 87,829    | 1,181                                  | 51,346    | 80,583    | 29,237                                 |
| Transfers in                        | 43,500                  | 82,058    | 38,558                                 | 50,112    | 46,626    | (3,486)                                |
| Total Receipts                      | 1,413,530               | 1,517,982 | 104,452                                | 1,330,689 | 1,365,270 | 34,581                                 |
| DISBURSEMENTS                       |                         |           |  |           |           |  |
| County Commissior                   | 85,750                  | 83,032    | 2,718                                  | 85,750    | 85,192    | 558                                    |
| County Clerk                        | 114,612                 | 110,083   | 4,529                                  | 110,052   | 106,279   | 3,773                                  |
| Elections                           | 64,650                  | 77,403    | (12,753)                               | 24,300    | 33,524    | (9,224)                                |
| Buildings and grounds               | 115,520                 | 108,247   | 7,273                                  | 96,550    | 91,617    | 4,933                                  |
| Employee fringe benefit             | 236,500                 | 213,213   | 23,287                                 | 207,100   | 177,871   | 29,229                                 |
| County Treasurer                    | 63,488                  | 60,793    | 2,695                                  | 62,968    | 61,837    | 1,131                                  |
| Ex Officio Recorder of Deed         | 31,720                  | 30,416    | 1,304                                  | 43,130    | 40,184    | 2,946                                  |
| Circuit Clerk                       | 8,150                   | 7,347     | 803                                    | 8,050     | 8,031     | 19                                     |
| Associate Circuit Court             | 6,410                   | 5,911     | 499                                    | 9,750     | 7,902     | 1,848                                  |
| Court administration                | 63,667                  | 41,886    | 21,781                                 | 51,150    | 72,657    | (21,507)                               |
| Public Administrator                | 41,700                  | 41,404    | 296                                    | 44,296    | 43,597    | 699                                    |
| Sheriff                             | 211,310                 | 211,861   | (551)                                  | 220,410   | 206,424   | 13,986                                 |
| Jail                                | 161,846                 | 161,658   | 188                                    | 168,454   | 159,998   | 8,456                                  |
| Prosecuting Attorney                | 120,650                 | 114,990   | 5,660                                  | 101,440   | 99,159    | 2,281                                  |
| Juvenile Officer                    | 63,500                  | 60,500    | 3,000                                  | 65,335    | 59,341    | 5,994                                  |
| County Coroner                      | 21,700                  | 16,476    | 5,224                                  | 13,600    | 13,617    | (17)                                   |
| County Surveyor                     | 4,300                   | 2,851     | 1,449                                  | 4,000     | 4,140     | (140)                                  |
| Insurance - property and liability  | 32,000                  | 30,229    | 1,771                                  | 27,000    | 29,067    | (2,067)                                |
| Administrative computer system      | 12,000                  | 14,248    | (2,248)                                | 12,000    | 13,057    | (1,057)                                |
| Other                               | 96,589                  | 38,171    | 58,418                                 | 124,384   | 79,544    | 44,840                                 |
| Transfers out                       | 21,702                  | 7,985     | 13,717                                 | 30,500    | 14,237    | 16,263                                 |
| Emergency Fund                      | 41,845                  | 153       | 41,692                                 | 40,000    | 124       | 39,876                                 |
| Total Disbursements                 | 1,619,609               | 1,438,857 | 180,752                                | 1,550,219 | 1,407,399 | 142,820                                |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (206,079)               | 79,125    | 285,204                                | (219,530) | (42,129)  | 177,401                                |
| CASH, JANUARY 1                     | 276,044                 | 276,044   | 0                                      | 318,173   | 318,173   | 0                                      |
| CASH, DECEMBER 31                   | 69,965                  | 355,169   | 285,204                                | 98,643    | 276,044   | 177,401                                |

Exhibit B

TEXAS COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

|   | Year Ended December 31, |                |  |                  |                  |  |
|---|-------------------------|----------------|--|------------------|------------------|--|
|   | 2004                    |                |  | 2003             |                  |  |
|   | Budget                  | Actual         | Variance<br>Favorable<br>(Unfavorable) | Budget           | Actual           | Variance<br>Favorable<br>(Unfavorable) |
| <b><u>SPECIAL ROAD AND BRIDGE FUND</u></b>  |                         |                |  |                  |                  |  |
| <b>RECEIPTS</b>                             |                         |                |  |                  |                  |  |
| Intergovernmental                           | 963,269                 | 982,305        | 19,036                                 | 1,432,117        | 1,415,554        | (16,563)                               |
| Charges for service:                        | 100                     | 20             | (80)                                   | 100              | 40               | (60)                                   |
| Interest                                    | 3,651                   | 3,622          | (29)                                   | 3,900            | 6,385            | 2,485                                  |
| <b>Total Receipts</b>                       | <b>967,020</b>          | <b>985,947</b> | <b>18,927</b>                          | <b>1,436,117</b> | <b>1,421,979</b> | <b>(14,138)</b>                        |
| <b>DISBURSEMENTS</b>                        |                         |                |  |                  |                  |  |
| Road and bridge constructor                 | 9,020                   | 9,020          | 0                                      | 457,117          | 456,316          | 801                                    |
| Supplies                                    | 2,800                   | 54             | 2,746                                  | 1,300            | 2,770            | (1,470)                                |
| Insurance                                   | 800                     | 804            | (4)                                    | 800              | 781              | 19                                     |
| Distributions to township:                  | 922,022                 | 936,411        | (14,389)                               | 944,000          | 925,462          | 18,538                                 |
| Transfers out                               | 28,628                  | 37,600         | (8,972)                                | 29,250           | 28,728           | 522                                    |
| <b>Total Disbursements</b>                  | <b>963,270</b>          | <b>983,889</b> | <b>(20,619)</b>                        | <b>1,432,467</b> | <b>1,414,057</b> | <b>18,410</b>                          |
| RECEIPTS OVER (UNDER) DISBURSEMENTS         | 3,750                   | 2,058          | (1,692)                                | 3,650            | 7,922            | 4,272                                  |
| CASH, JANUARY 1                             | 148,833                 | 148,833        | 0                                      | 140,911          | 140,911          | 0                                      |
| CASH, DECEMBER 31                           | 152,583                 | 150,891        | (1,692)                                | 144,561          | 148,833          | 4,272                                  |
| <b><u>ASSESSMENT FUND</u></b>               |                         |                |  |                  |                  |  |
| <b>RECEIPTS</b>                             |                         |                |  |                  |                  |  |
| Intergovernmental                           | 150,768                 | 146,260        | (4,508)                                | 137,000          | 138,759          | 1,759                                  |
| Interest                                    | 800                     | 698            | (102)                                  | 1,000            | 857              | (143)                                  |
| Other                                       | 3,000                   | 2,958          | (42)                                   | 3,000            | 3,517            | 517                                    |
| Transfers in                                | 15,202                  | 2,690          | (12,512)                               | 24,500           | 8,237            | (16,263)                               |
| <b>Total Receipts</b>                       | <b>169,770</b>          | <b>152,606</b> | <b>(17,164)</b>                        | <b>165,500</b>   | <b>151,370</b>   | <b>(14,130)</b>                        |
| <b>DISBURSEMENTS</b>                        |                         |                |  |                  |                  |  |
| Assessor                                    | 169,770                 | 152,348        | 17,422                                 | 165,500          | 151,370          | 14,130                                 |
| <b>Total Disbursements</b>                  | <b>169,770</b>          | <b>152,348</b> | <b>17,422</b>                          | <b>165,500</b>   | <b>151,370</b>   | <b>14,130</b>                          |
| RECEIPTS OVER (UNDER) DISBURSEMENTS         | 0                       | 258            | 258                                    | 0                | 0                | 0                                      |
| CASH, JANUARY 1                             | 0                       | 0              | 0                                      | 0                | 0                | 0                                      |
| CASH, DECEMBER 31                           | 0                       | 258            | 258                                    | 0                | 0                | 0                                      |
| <b><u>LAW ENFORCEMENT TRAINING FUND</u></b> |                         |                |  |                  |                  |  |
| <b>RECEIPTS</b>                             |                         |                |  |                  |                  |  |
| Intergovernmental                           | 2,100                   | 2,445          | 345                                    | 1,000            | 1,918            | 918                                    |
| Charges for service:                        | 4,000                   | 5,099          | 1,099                                  | 4,000            | 4,488            | 488                                    |
| Interest                                    | 100                     | 81             | (19)                                   | 100              | 8                | (92)                                   |
| Other                                       | 0                       | 1,527          | 1,527                                  | 0                | 0                | 0                                      |
| <b>Total Receipts</b>                       | <b>6,200</b>            | <b>9,152</b>   | <b>2,952</b>                           | <b>5,100</b>     | <b>6,414</b>     | <b>1,314</b>                           |
| <b>DISBURSEMENTS</b>                        |                         |                |  |                  |                  |  |
| Sheriff                                     | 7,525                   | 6,938          | 587                                    | 5,425            | 5,379            | 46                                     |
| <b>Total Disbursements</b>                  | <b>7,525</b>            | <b>6,938</b>   | <b>587</b>                             | <b>5,425</b>     | <b>5,379</b>     | <b>46</b>                              |
| RECEIPTS OVER (UNDER) DISBURSEMENTS         | (1,325)                 | 2,214          | 3,539                                  | (325)            | 1,035            | 1,360                                  |
| CASH, JANUARY 1                             | 1,382                   | 1,382          | 0                                      | 347              | 347              | 0                                      |
| CASH, DECEMBER 31                           | 57                      | 3,596          | 3,539                                  | 22               | 1,382            | 1,360                                  |

Exhibit B

TEXAS COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

|   | Year Ended December 31, |               |  |               |               |  |
|---|-------------------------|---------------|--|---------------|---------------|--|
|   | 2004                    |               |  | 2003          |               |  |
|   | Budget                  | Actual        | Variance<br>Favorable<br>(Unfavorable) | Budget        | Actual        | Variance<br>Favorable<br>(Unfavorable) |
| <b>PROSECUTING ATTORNEY TRAINING FUND</b> |                         |               |  |               |               |  |
| <b>RECEIPTS</b>                           |                         |               |  |               |               |  |
| Charges for services:                     | 1,210                   | 1,309         | 99                                     | 1,200         | 1,109         | (91)                                   |
| Interest                                  | 50                      | 14            | (36)                                   | 50            | 39            | (11)                                   |
| Other                                     | 1,000                   | 975           | (25)                                   | 0             | 0             | 0                                      |
| <b>Total Receipts</b>                     | <b>2,260</b>            | <b>2,298</b>  | <b>38</b>                              | <b>1,250</b>  | <b>1,148</b>  | <b>(102)</b>                           |
| <b>DISBURSEMENTS</b>                      |                         |               |  |               |               |  |
| Prosecuting Attorney                      | 2,125                   | 1,797         | 328                                    | 2,294         | 1,319         | 975                                    |
| <b>Total Disbursements</b>                | <b>2,125</b>            | <b>1,797</b>  | <b>328</b>                             | <b>2,294</b>  | <b>1,319</b>  | <b>975</b>                             |
| RECEIPTS OVER (UNDER) DISBURSEMENTS       | 135                     | 501           | 366                                    | (1,044)       | (171)         | 873                                    |
| CASH, JANUARY 1                           | 873                     | 873           | 0                                      | 1,044         | 1,044         | 0                                      |
| CASH, DECEMBER 31                         | 1,008                   | 1,374         | 366                                    | 0             | 873           | 873                                    |
| <b>RESCUE UNIT FUND</b>                   |                         |               |  |               |               |  |
| <b>RECEIPTS</b>                           |                         |               |  |               |               |  |
| Interest                                  | 100                     | 90            | (10)                                   | 500           | 756           | 256                                    |
| Other                                     | 6,000                   | 1,284         | (4,716)                                | 4,623         | 10,030        | 5,407                                  |
| Transfers in                              | 0                       | 0             | 0                                      | 6,000         | 6,000         | 0                                      |
| <b>Total Receipts</b>                     | <b>6,100</b>            | <b>1,374</b>  | <b>(4,726)</b>                         | <b>11,123</b> | <b>16,786</b> | <b>5,663</b>                           |
| <b>DISBURSEMENTS</b>                      |                         |               |  |               |               |  |
| Public safety                             | 8,900                   | 189           | 8,711                                  | 32,000        | 35,702        | (3,702)                                |
| <b>Total Disbursements</b>                | <b>8,900</b>            | <b>189</b>    | <b>8,711</b>                           | <b>32,000</b> | <b>35,702</b> | <b>(3,702)</b>                         |
| RECEIPTS OVER (UNDER) DISBURSEMENTS       | (2,800)                 | 1,185         | 3,985                                  | (20,877)      | (18,916)      | 1,961                                  |
| CASH, JANUARY 1                           | 2,831                   | 2,831         | 0                                      | 21,747        | 21,747        | 0                                      |
| CASH, DECEMBER 31                         | 31                      | 4,016         | 3,985                                  | 870           | 2,831         | 1,961                                  |
| <b>ELECTION SERVICES FUND</b>             |                         |               |  |               |               |  |
| <b>RECEIPTS</b>                           |                         |               |  |               |               |  |
| Intergovernmental                         | 15,000                  | 15,000        | 0                                      | 0             | 0             | 0                                      |
| Charges for services:                     | 3,100                   | 3,617         | 517                                    | 2,500         | 1,111         | (1,389)                                |
| Interest                                  | 100                     | 110           | 10                                     | 200           | 192           | (8)                                    |
| <b>Total Receipts</b>                     | <b>18,200</b>           | <b>18,727</b> | <b>527</b>                             | <b>2,700</b>  | <b>1,303</b>  | <b>(1,397)</b>                         |
| <b>DISBURSEMENTS</b>                      |                         |               |  |               |               |  |
| Elections                                 | 15,000                  | 1,052         | 13,948                                 | 7,593         | 6,079         | 1,514                                  |
| Transfers out                             | 3,845                   | 0             | 3,845                                  | 3,407         | 3,239         | 168                                    |
| <b>Total Disbursements</b>                | <b>18,845</b>           | <b>1,052</b>  | <b>17,793</b>                          | <b>11,000</b> | <b>9,318</b>  | <b>1,682</b>                           |
| RECEIPTS OVER (UNDER) DISBURSEMENTS       | (645)                   | 17,675        | 18,320                                 | (8,300)       | (8,015)       | 285                                    |
| CASH, JANUARY 1                           | 645                     | 645           | 0                                      | 8,660         | 8,660         | 0                                      |
| CASH, DECEMBER 31                         | 0                       | 18,320        | 18,320                                 | 360           | 645           | 285                                    |

Exhibit B

TEXAS COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

|                                       | Year Ended December 31, |          |  |           |          |  |
|---------------------------------------|-------------------------|----------|--|-----------|----------|--|
|                                       | 2004                    |          |  | 2003      |          |  |
|                                       | Budget                  | Actual   | Variance<br>Favorable<br>(Unfavorable) | Budget    | Actual   | Variance<br>Favorable<br>(Unfavorable) |
| <b>HUTCHASON CEMETERY FUND</b>        |                         |          |  |           |          |  |
| <b>RECEIPTS</b>                       |                         |          |  |           |          |  |
| Interest                              | 200                     | 160      | (40)                                   | 200       | 253      | 53                                     |
| Other                                 | 500                     | 0        | (500)                                  | 500       | 0        | (500)                                  |
| Total Receipts                        | 700                     | 160      | (540)                                  | 700       | 253      | (447)                                  |
| <b>DISBURSEMENTS</b>                  |                         |          |  |           |          |  |
| Cemetery upkeep                       | 700                     | 160      | 540                                    | 700       | 253      | 447                                    |
| Total Disbursements                   | 700                     | 160      | 540                                    | 700       | 253      | 447                                    |
| RECEIPTS OVER (UNDER) DISBURSEMENTS   | 0                       | 0        | 0                                      | 0         | 0        | 0                                      |
| CASH, JANUARY 1                       | 6,319                   | 6,319    | 0                                      | 6,319     | 6,319    | 0                                      |
| CASH, DECEMBER 31                     | 6,319                   | 6,319    | 0                                      | 6,319     | 6,319    | 0                                      |
| <b>LAW ENFORCEMENT OPERATION FUND</b> |                         |          |  |           |          |  |
| <b>RECEIPTS</b>                       |                         |          |  |           |          |  |
| Intergovernmental                     | 53,912                  | 57,505   | 3,593                                  | 51,563    | 44,162   | (7,401)                                |
| Charges for service:                  | 12,000                  | 14,524   | 2,524                                  | 12,000    | 12,965   | 965                                    |
| Interest                              | 1,000                   | 838      | (162)                                  | 1,000     | 1,046    | 46                                     |
| Other                                 | 0                       | 1,117    | 1,117                                  | 9,700     | 10,264   | 564                                    |
| Total Receipts                        | 66,912                  | 73,984   | 7,072                                  | 74,263    | 68,437   | (5,826)                                |
| <b>DISBURSEMENTS</b>                  |                         |          |  |           |          |  |
| Sheriff                               | 97,049                  | 70,445   | 26,604                                 | 99,695    | 61,203   | 38,492                                 |
| Transfers out                         | 2,500                   | 2,083    | 417                                    | 0         | 0        | 0                                      |
| Total Disbursements                   | 99,549                  | 72,528   | 27,021                                 | 99,695    | 61,203   | 38,492                                 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS   | (32,637)                | 1,456    | 34,093                                 | (25,432)  | 7,234    | 32,666                                 |
| CASH, JANUARY 1                       | 32,666                  | 32,666   | 0                                      | 25,432    | 25,432   | 0                                      |
| CASH, DECEMBER 31                     | 29                      | 34,122   | 34,093                                 | 0         | 32,666   | 32,666                                 |
| <b>WRI-TEX 911 FUND</b>               |                         |          |  |           |          |  |
| <b>RECEIPTS</b>                       |                         |          |  |           |          |  |
| Charges for service:                  | 377,000                 | 366,438  | (10,562)                               | 399,000   | 373,761  | (25,239)                               |
| Interest                              | 19,000                  | 11,449   | (7,551)                                | 26,000    | 18,528   | (7,472)                                |
| Other                                 | 100                     | 33       | (67)                                   | 12,100    | 11,086   | (1,014)                                |
| Total Receipts                        | 396,100                 | 377,920  | (18,180)                               | 437,100   | 403,375  | (33,725)                               |
| <b>DISBURSEMENTS</b>                  |                         |          |  |           |          |  |
| Salaries and fringe benefit:          | 330,230                 | 327,588  | 2,642                                  | 321,459   | 309,331  | 12,128                                 |
| Operations                            | 66,500                  | 65,706   | 794                                    | 78,000    | 71,531   | 6,469                                  |
| Office expenditure:                   | 34,600                  | 11,353   | 23,247                                 | 31,334    | 16,250   | 15,084                                 |
| Equipment                             | 60,550                  | 0        | 60,550                                 | 74,770    | 28,868   | 45,902                                 |
| Mileage and training                  | 4,500                   | 5,850    | (1,350)                                | 5,500     | 4,182    | 1,318                                  |
| Other                                 | 23,500                  | 10,708   | 12,792                                 | 24,500    | 7,013    | 17,487                                 |
| Transfers out                         | 15,000                  | 10,198   | 4,802                                  | 15,000    | 12,796   | 2,204                                  |
| Total Disbursements                   | 534,880                 | 431,403  | 103,477                                | 550,563   | 449,971  | 100,592                                |
| RECEIPTS OVER (UNDER) DISBURSEMENTS   | (138,780)               | (53,483) | 85,297                                 | (113,463) | (46,596) | 66,867                                 |
| CASH, JANUARY 1                       | 499,699                 | 499,699  | 0                                      | 546,295   | 546,295  | 0                                      |
| CASH, DECEMBER 31                     | 360,919                 | 446,216  | 85,297                                 | 432,832   | 499,699  | 66,867                                 |

Exhibit B

TEXAS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

|   | Year Ended December 31, |          |  |          |         |  |
|---|-------------------------|----------|--|----------|---------|--|
|   | 2004                    |          |  | 2003     |         |  |
|   | Budget                  | Actual   | Variance<br>Favorable<br>(Unfavorable) | Budget   | Actual  | Variance<br>Favorable<br>(Unfavorable) |
| <b><u>GARNER COVERT MEMORIAL FUND</u></b>   |                         |          |  |          |         |  |
| <b>RECEIPTS</b>                             |                         |          |  |          |         |  |
| Interest                                    | 700                     | 400      | (300)                                  | 700      | 595     | (105)                                  |
| Total Receipts                              | 700                     | 400      | (300)                                  | 700      | 595     | (105)                                  |
| <b>DISBURSEMENTS</b>                        |                         |          |  |          |         |  |
| Other                                       | 4,300                   | 970      | 3,330                                  | 3,800    | 40      | 3,760                                  |
| Total Disbursements                         | 4,300                   | 970      | 3,330                                  | 3,800    | 40      | 3,760                                  |
| RECEIPTS OVER (UNDER) DISBURSEMENTS         | (3,600)                 | (570)    | 3,030                                  | (3,100)  | 555     | 3,655                                  |
| CASH, JANUARY 1                             | 15,666                  | 15,666   | 0                                      | 15,111   | 15,111  | 0                                      |
| CASH, DECEMBER 31                           | 12,066                  | 15,096   | 3,030                                  | 12,011   | 15,666  | 3,655                                  |
| <b><u>RECORDER USER'S FEE FUND</u></b>      |                         |          |  |          |         |  |
| <b>RECEIPTS</b>                             |                         |          |  |          |         |  |
| Charges for service:                        | 18,500                  | 19,543   | 1,043                                  | 16,600   | 20,307  | 3,707                                  |
| Interest                                    | 0                       | 223      | 223                                    | 325      | 703     | 378                                    |
| Total Receipts                              | 18,500                  | 19,766   | 1,266                                  | 16,925   | 21,010  | 4,085                                  |
| <b>DISBURSEMENTS</b>                        |                         |          |  |          |         |  |
| Ex-Officio Recorder of Deeds                | 20,000                  | 19,567   | 433                                    | 34,000   | 29,849  | 4,151                                  |
| Transfers out                               | 1,232                   | 1,232    | 0                                      | 0        | 0       | 0                                      |
| Total Disbursements                         | 21,232                  | 20,799   | 433                                    | 34,000   | 29,849  | 4,151                                  |
| RECEIPTS OVER (UNDER) DISBURSEMENTS         | (2,732)                 | (1,033)  | 1,699                                  | (17,075) | (8,839) | 8,236                                  |
| CASH, JANUARY 1                             | 8,267                   | 8,267    | 0                                      | 17,106   | 17,106  | 0                                      |
| CASH, DECEMBER 31                           | 5,535                   | 7,234    | 1,699                                  | 31       | 8,267   | 8,236                                  |
| <b><u>PROSECUTOR BAD CHECK FEE FUND</u></b> |                         |          |  |          |         |  |
| <b>RECEIPTS</b>                             |                         |          |  |          |         |  |
| Charges for service:                        | 21,000                  | 18,265   | (2,735)                                | 18,000   | 20,886  | 2,886                                  |
| Interest                                    | 350                     | 273      | (77)                                   | 150      | 336     | 186                                    |
| Other                                       | 2,400                   | 2,207    | (193)                                  | 0        | 600     | 600                                    |
| Total Receipts                              | 23,750                  | 20,745   | (3,005)                                | 18,150   | 21,822  | 3,672                                  |
| <b>DISBURSEMENTS</b>                        |                         |          |  |          |         |  |
| Office expenditures:                        | 7,500                   | 9,627    | (2,127)                                | 8,500    | 7,346   | 1,154                                  |
| Equipment                                   | 1,800                   | 402      | 1,398                                  | 3,000    | 586     | 2,414                                  |
| Witness expenditure:                        | 4,000                   | 1,098    | 2,902                                  | 6,000    | 1,006   | 4,994                                  |
| Other                                       | 0                       | 735      | (735)                                  | 6,500    | 7,602   | (1,102)                                |
| Transfers out                               | 19,300                  | 19,300   | 0                                      | 0        | 0       | 0                                      |
| Total Disbursements                         | 32,600                  | 31,162   | 1,438                                  | 24,000   | 16,540  | 7,460                                  |
| RECEIPTS OVER (UNDER) DISBURSEMENTS         | (8,850)                 | (10,417) | (1,567)                                | (5,850)  | 5,282   | 11,132                                 |
| CASH, JANUARY 1                             | 11,252                  | 11,252   | 0                                      | 5,970    | 5,970   | 0                                      |
| CASH, DECEMBER 31                           | 2,402                   | 835      | (1,567)                                | 120      | 11,252  | 11,132                                 |

Exhibit B

TEXAS COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

|  | Year Ended December 31, |         |  |          |        |  |
|--|-------------------------|---------|--|----------|--------|--|
|  | 2004                    |         |  | 2003     |        |  |
|  | Budget                  | Actual  | Variance<br>Favorable<br>(Unfavorable) | Budget   | Actual | Variance<br>Favorable<br>(Unfavorable) |
| <b>LOCAL EMERGENCY PREPAREDNESS FUND</b> |                         |         |  |          |        |  |
| <b>RECEIPTS</b>                          |                         |         |  |          |        |  |
| Intergovernmental                        | 9,700                   | 9,040   | (660)                                  | 13,600   | 9,498  | (4,102)                                |
| Interest                                 | 600                     | 534     | (66)                                   | 900      | 824    | (76)                                   |
| Total Receipts                           | 10,300                  | 9,574   | (726)                                  | 14,500   | 10,322 | (4,178)                                |
| <b>DISBURSEMENTS</b>                     |                         |         |  |          |        |  |
| Emergency preparednes:                   | 33,017                  | 12,575  | 20,442                                 | 37,972   | 11,274 | 26,698                                 |
| Total Disbursements                      | 33,017                  | 12,575  | 20,442                                 | 37,972   | 11,274 | 26,698                                 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS      | (22,717)                | (3,001) | 19,716                                 | (23,472) | (952)  | 22,520                                 |
| CASH, JANUARY 1                          | 22,717                  | 22,717  | 0                                      | 23,669   | 23,669 | 0                                      |
| CASH, DECEMBER 31                        | 0                       | 19,716  | 19,716                                 | 197      | 22,717 | 22,520                                 |
| <b>CONCEALED FIREARMS PERMITS FUND</b>   |                         |         |  |          |        |  |
| <b>RECEIPTS</b>                          |                         |         |  |          |        |  |
| Charges for service:                     | 2,000                   | 2,850   | 850                                    |          |        |  |
| Interest                                 | 50                      | 15      | (35)                                   |          |        |  |
| Total Receipts                           | 2,050                   | 2,865   | 815                                    |          |        |  |
| <b>DISBURSEMENTS</b>                     |                         |         |  |          |        |  |
| Sheriff                                  | 2,050                   | 0       | 2,050                                  |          |        |  |
| Total Disbursements                      | 2,050                   | 0       | 2,050                                  |          |        |  |
| RECEIPTS OVER (UNDER) DISBURSEMENTS      | 0                       | 2,865   | 2,865                                  |          |        |  |
| CASH, JANUARY 1                          | 0                       | 0       | 0                                      |          |        |  |
| CASH, DECEMBER 31                        | 0                       | 2,865   | 2,865                                  |          |        |  |
| <b>DOMESTIC VIOLENCE VICTIM FUND</b>     |                         |         |  |          |        |  |
| <b>RECEIPTS</b>                          |                         |         |  |          |        |  |
| Intergovernmental                        | 22,517                  | 16,481  | (6,036)                                | 15,397   | 9,347  | (6,050)                                |
| Charges for service:                     | 2,300                   | 2,282   | (18)                                   | 2,300    | 2,248  | (52)                                   |
| Interest                                 | 400                     | 196     | (204)                                  | 500      | 361    | (139)                                  |
| Total Receipts                           | 25,217                  | 18,959  | (6,258)                                | 18,197   | 11,956 | (6,241)                                |
| <b>DISBURSEMENTS</b>                     |                         |         |  |          |        |  |
| Shelters for victims of domestic violenc | 35,811                  | 27,686  | 8,125                                  | 28,207   | 11,372 | 16,835                                 |
| Total Disbursements                      | 35,811                  | 27,686  | 8,125                                  | 28,207   | 11,372 | 16,835                                 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS      | (10,594)                | (8,727) | 1,867                                  | (10,010) | 584    | 10,594                                 |
| CASH, JANUARY 1                          | 10,594                  | 10,594  | 0                                      | 10,010   | 10,010 | 0                                      |
| CASH, DECEMBER 31                        | 0                       | 1,867   | 1,867                                  | 0        | 10,594 | 10,594                                 |

Exhibit B

TEXAS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

|   | Year Ended December 31, |         |  |         |        |  |
|---|-------------------------|---------|--|---------|--------|--|
|   | 2004                    |         |  | 2003    |        |  |
|   | Budget                  | Actual  | Variance<br>Favorable<br>(Unfavorable) | Budget  | Actual | Variance<br>Favorable<br>(Unfavorable) |
| <b><u>HISTORICAL AND MILITARY MUSEUM FUND</u></b> |                         |         |  |         |        |  |
| <b>RECEIPTS</b>                                   |                         |         |  |         |        |  |
| Interest  | 372                     | 274     | (98)                                   | 270     | 379    | 109                                    |
| Other   | 373                     | 216     | (157)                                  | 370     | 128    | (242)                                  |
| Total Receipts                                    | 745                     | 490     | (255)                                  | 640     | 507    | (133)                                  |
| <b>DISBURSEMENTS</b>                              |                         |         |  |         |        |  |
| Museum operations                                 | 11,051                  | 48      | 11,003                                 | 9,021   | 97     | 8,924                                  |
| Total Disbursements                               | 11,051                  | 48      | 11,003                                 | 9,021   | 97     | 8,924                                  |
| RECEIPTS OVER (UNDER) DISBURSEMENTS               | (10,306)                | 442     | 10,748                                 | (8,381) | 410    | 8,791                                  |
| CASH, JANUARY 1                                   | 11,274                  | 11,274  | 0                                      | 10,864  | 10,864 | 0                                      |
| CASH, DECEMBER 31                                 | 968                     | 11,716  | 10,748                                 | 2,483   | 11,274 | 8,791                                  |
| <b><u>COLLECTOR TAX MAINTENANCE FUND</u></b>      |                         |         |  |         |        |  |
| <b>RECEIPTS</b>                                   |                         |         |  |         |        |  |
| Charges for service:                              | 11,000                  | 12,211  | 1,211                                  | 10,000  | 11,859 | 1,859                                  |
| Interest  | 80                      | 97      | 17                                     | 100     | 118    | 18                                     |
| Total Receipts                                    | 11,080                  | 12,308  | 1,228                                  | 10,100  | 11,977 | 1,877                                  |
| <b>DISBURSEMENTS</b>                              |                         |         |  |         |        |  |
| County Collector                                  | 7,078                   | 6,885   | 193                                    | 8,591   | 1,837  | 6,754                                  |
| Transfers out                                     | 12,815                  | 11,645  | 1,170                                  | 2,045   | 1,863  | 182                                    |
| Total Disbursements                               | 19,893                  | 18,530  | 1,363                                  | 10,636  | 3,700  | 6,936                                  |
| RECEIPTS OVER (UNDER) DISBURSEMENTS               | (8,813)                 | (6,222) | 2,591                                  | (536)   | 8,277  | 8,813                                  |
| CASH, JANUARY 1                                   | 8,813                   | 8,813   | 0                                      | 536     | 536    | 0                                      |
| CASH, DECEMBER 31                                 | 0                       | 2,591   | 2,591                                  | 0       | 8,813  | 8,813                                  |
| <b><u>PROSECUTOR DELINQUENT TAX FUND</u></b>      |                         |         |  |         |        |  |
| <b>RECEIPTS</b>                                   |                         |         |  |         |        |  |
| Intergovernmental                                 | 4,400                   | 4,316   | (84)                                   |         |        |  |
| Interest  | 100                     | 9       | (91)                                   |         |        |  |
| Total Receipts                                    | 4,500                   | 4,325   | (175)                                  |         |        |  |
| <b>DISBURSEMENTS</b>                              |                         |         |  |         |        |  |
| Prosecuting Attorney                              | 4,500                   | 0       | 4,500                                  |         |        |  |
| Total Disbursements                               | 4,500                   | 0       | 4,500                                  |         |        |  |
| RECEIPTS OVER (UNDER) DISBURSEMENTS               | 0                       | 4,325   | 4,325                                  |         |        |  |
| CASH, JANUARY 1                                   | 0                       | 0       | 0                                      |         |        |  |
| CASH, DECEMBER 31                                 | 0                       | 4,325   | 4,325                                  |         |        |  |

Exhibit B

TEXAS COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

|                                     | Year Ended December 31, |         |  |         |         |  |
|-------------------------------------|-------------------------|---------|--|---------|---------|--|
|                                     | 2004                    |         |  | 2003    |         |  |
|                                     | Budget                  | Actual  | Variance<br>Favorable<br>(Unfavorable) | Budget  | Actual  | Variance<br>Favorable<br>(Unfavorable) |
| <b>STATE AND FEDERAL GRANT FUND</b> |                         |         |  |         |         |  |
| <b>RECEIPTS</b>                     |                         |         |  |         |         |  |
| Intergovernmental                   | 81,168                  | 4,398   | (76,770)                               |         |         |  |
| Transfers in                        | 0                       | 5,295   | 5,295                                  |         |         |  |
| Total Receipts                      | 81,168                  | 9,693   | (71,475)                               |         |         |  |
| <b>DISBURSEMENTS</b>                |                         |         |  |         |         |  |
| Emergency preparednes:              | 81,168                  | 9,693   | 71,475                                 |         |         |  |
| Total Disbursements                 | 81,168                  | 9,693   | 71,475                                 |         |         |  |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 0                       | 0       | 0                                      |         |         |  |
| CASH, JANUARY 1                     | 0                       | 0       | 0                                      |         |         |  |
| CASH, DECEMBER 31                   | 0                       | 0       | 0                                      |         |         |  |
| <b>HEALTH CENTER FUND</b>           |                         |         |  |         |         |  |
| <b>RECEIPTS</b>                     |                         |         |  |         |         |  |
| Property taxes                      | 146,655                 | 149,944 | 3,289                                  | 141,664 | 166,774 | 25,110                                 |
| Intergovernmental                   | 381,413                 | 402,639 | 21,226                                 | 415,827 | 399,417 | (16,410)                               |
| Charges for service:                | 19,000                  | 22,528  | 3,528                                  | 17,000  | 20,284  | 3,284                                  |
| Interest                            | 4,400                   | 5,005   | 605                                    | 3,000   | 4,438   | 1,438                                  |
| Other                               | 26,383                  | 24,838  | (1,545)                                | 16,340  | 23,997  | 7,657                                  |
| Total Receipts                      | 577,851                 | 604,954 | 27,103                                 | 593,831 | 614,910 | 21,079                                 |
| <b>DISBURSEMENTS</b>                |                         |         |  |         |         |  |
| Salaries and fringe benefit:        | 456,000                 | 465,606 | (9,606)                                | 459,000 | 447,073 | 11,927                                 |
| Office expenditures:                | 72,440                  | 49,455  | 22,985                                 | 48,040  | 68,370  | (20,330)                               |
| Equipment and maintenanc            | 32,000                  | 17,595  | 14,405                                 | 31,000  | 20,811  | 10,189                                 |
| Mileage and training                | 22,900                  | 51,433  | (28,533)                               | 16,750  | 20,084  | (3,334)                                |
| Other                               | 6,500                   | 7,794   | (1,294)                                | 10,300  | 7,085   | 3,215                                  |
| Total Disbursements                 | 589,840                 | 591,883 | (2,043)                                | 565,090 | 563,423 | 1,667                                  |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (11,989)                | 13,071  | 25,060                                 | 28,741  | 51,487  | 22,746                                 |
| CASH, JANUARY 1                     | 252,761                 | 252,628 | (133)                                  | 201,141 | 201,141 | 0                                      |
| CASH, DECEMBER 31                   | 240,772                 | 265,699 | 24,927                                 | 229,882 | 252,628 | 22,746                                 |
| <b>HABILITATION SERVICES FUND</b>   |                         |         |  |         |         |  |
| <b>RECEIPTS</b>                     |                         |         |  |         |         |  |
| Property taxes                      | 130,000                 | 173,163 | 43,163                                 | 140,000 | 143,219 | 3,219                                  |
| Interest                            | 1,000                   | 1,152   | 152                                    | 1,000   | 1,331   | 331                                    |
| Other                               | 0                       | 0       | 0                                      | 0       | 193     | 193                                    |
| Total Receipts                      | 131,000                 | 174,315 | 43,315                                 | 141,000 | 144,743 | 3,743                                  |
| <b>DISBURSEMENTS</b>                |                         |         |  |         |         |  |
| Office expenditures:                | 3,000                   | 2,559   | 441                                    | 2,705   | 3,391   | (686)                                  |
| Contract services                   | 143,000                 | 143,000 | 0                                      | 133,450 | 133,050 | 400                                    |
| Total Disbursements                 | 146,000                 | 145,559 | 441                                    | 136,155 | 136,441 | (286)                                  |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (15,000)                | 28,756  | 43,756                                 | 4,845   | 8,302   | 3,457                                  |
| CASH, JANUARY 1                     | 65,340                  | 64,583  | (757)                                  | 57,038  | 56,281  | (757)                                  |
| CASH, DECEMBER 31                   | 50,340                  | 93,339  | 42,999                                 | 61,883  | 64,583  | 2,700                                  |

Exhibit B

TEXAS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

|                                     | Year Ended December 31, |               |  |              |              |  |
|-------------------------------------|-------------------------|---------------|--|--------------|--------------|--|
|                                     | 2004                    |               |  | 2003         |              |  |
|                                     | Budget                  | Actual        | Variance<br>Favorable<br>(Unfavorable) | Budget       | Actual       | Variance<br>Favorable<br>(Unfavorable) |
| <b><u>LAW LIBRARY FUND</u></b>      |                         |               |  |              |              |  |
| <b>RECEIPTS</b>                     |                         |               |  |              |              |  |
| Charges for service:                | 5,085                   | 5,077         | (8)                                    | 4,500        | 5,069        | 569                                    |
| Interest                            | 0                       | 18            | 18                                     | 0            | 16           | 16                                     |
| Total Receipts                      | <u>5,085</u>            | <u>5,095</u>  | <u>10</u>                              | <u>4,500</u> | <u>5,085</u> | <u>585</u>                             |
| <b>DISBURSEMENTS</b>                |                         |               |  |              |              |  |
| Law library                         | 5,085                   | 141           | 4,944                                  | 4,846        | 8,194        | (3,348)                                |
| Total Disbursements                 | <u>5,085</u>            | <u>141</u>    | <u>4,944</u>                           | <u>4,846</u> | <u>8,194</u> | <u>(3,348)</u>                         |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 0                       | 4,954         | 4,954                                  | (346)        | (3,109)      | (2,763)                                |
| CASH, JANUARY 1                     | 5,079                   | 5,079         | 0                                      | 7,846        | 8,188        | 342                                    |
| CASH, DECEMBER 31                   | <u>\$ 5,079</u>         | <u>10,033</u> | <u>4,954</u>                           | <u>7,500</u> | <u>5,079</u> | <u>(2,421)</u>                         |

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

TEXAS COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of various funds of Texas County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Health Center Board, or the Habilitation Services Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the Circuit Clerk Interest Fund and the Associate and Probate Division Interest Fund for the years ended December 31, 2004 and 2003.

Section 50.740, RSMo, prohibits expenditures in excess of the approved budgets. However, expenditures exceeded budgeted amounts for the following funds:

| <u>Fund</u>                  | <u>Years Ended December 31,</u> |
|------------------------------|---------------------------------|
| Special Road and Bridge Fund | 2004                            |
| Health Center Fund           | 2004                            |
| Habilitation Services Fund   | 2003                            |
| Rescue Unit Fund             | 2003                            |

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. However, the county's published financial statements did not include the Circuit Clerk Interest Fund and the Associate and Probate Division Interest Fund for the years ended December 31, 2004 and 2003.

2. Cash

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's, Health Center Board's, and Habilitation Services Board's deposits at December 31, 2004 and 2003, were entirely covered by federal depository insurance, by collateral securities held by the county's or board's custodial bank in the county's or board's name, or by commercial insurance provided through a surety bond.

However, because of significantly higher bank balances for the Health Center Board at certain times during the year, uninsured and uncollateralized balances existed at those times although not at year-end.

To protect the safety of county deposits, Section 110.020, RSMo, requires depositaries to pledge collateral securities to secure county deposits not insured by the Federal Deposit Insurance Corporation

3. Prior Period Adjustment

The Hutchason Cemetery Fund's cash balance of \$6,319 at January 1, 2003, was not previously reported but has been added.

Supplementary Schedule

Schedule

TEXAS COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

| Federal<br>CFDA<br>Number                           | Federal Grantor/Pass-Through Grantor/Program Title   | Pass-Through<br>Entity<br>Identifying<br>Number | Federal Expenditures<br>Year Ended December 31, |               |
|---|--|---|---|---------------|
|   |  |   | 2004  | 2003          |
| U. S. DEPARTMENT OF AGRICULTURE                     |  |   |   |               |
| Passed through state                                |  |   |   |               |
| Department of Social Services -                     |  |   |   |               |
| 10.550  | Food Donation  | N/A   | \$ 638  | 0             |
| Department of Health and Senior Services -          |  |   |   |               |
| 10.557  | Special Supplemental Nutrition Program for Women, Infants<br>and Children                        | ERS045-4208W<br>ERS045-3208                     | 73,749<br>0                                     | 0<br>87,879   |
|   | Program Total  |   | <u>73,749</u>                                   | <u>87,879</u> |
| 10.559  | Summer Food Service Program for Children   | ERS146-42081                                    | 260   | 325           |
| Office of Administration                            |  |   |   |               |
| 10.665  | Schools and Roads - Grants to State  | N/A   | 92,575  | 108,465       |
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT    |  |   |   |               |
| Passed through state Department of Social Services: |  |   |   |               |
| 14.231  | Emergency Shelter Grants Program   | ER01640662<br>ER01640599                        | 16,481<br>0                                     | 0<br>9,347    |
|   | Program Total  |   | <u>16,481</u>                                   | <u>9,347</u>  |
| U.S. DEPARTMENT OF JUSTICE                          |  |   |   |               |
| Direct programs:                                    |  |   |   |               |
| 16  | Equitable Sharing of Seized and Forfeited Property   | N/A   | 8,825   | 1,000         |
| Passed through:                                     |  |   |   |               |
| Cape Girardeau County -                             |  |   |   |               |
| 16.580  | Edward Byrne Memorial State and Local Law Enforcement<br>Assistance Discretionary Grants Program | SD2002-13<br>SD2004-39                          | 43,027<br>0                                     | 0<br>46,187   |
|   | Program Total  |   | <u>43,027</u>                                   | <u>46,187</u> |
| State Department of Public Safety                   |  |   |   |               |
| 16.592  | Local Law Enforcement Block Grants Program   | 2003-LBG-092                                    | 3,150   | 0             |
| Missouri Sheriffs' Association -                    |  |   |   |               |
| 16  | Domestic Cannabis Eradication/Suppression Program  | N/A   | 920   | 1,376         |

Schedule

TEXAS COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

| Federal<br>CFDA<br>Number                    | Federal Grantor/Pass-Through Grantor/Program Title                                 | Pass-Through<br>Entity<br>Identifying<br>Number | Federal Expenditures    |               |
|--|--|---|-------------------------|---------------|
|  |  |   | Year Ended December 31, |               |
|  |  |   | 2004                    | 2003          |
| U. S. DEPARTMENT OF TRANSPORTATION           |  |   |                         |               |
| Passed through state                         |  |   |                         |               |
| Highway and Transportation Commission        |  |   |                         |               |
| 20.205                                       | Highway Planning and Constructior  | BRO-107(7)                                      | 9,020                   | 456,316       |
| Department of Public Safety                  |  |   |                         |               |
| 20.703                                       | Interagency Hazardous Materials Public Sector Training and Planning Grants         | CEPF<br>HMEP                                    | 6,256                   | 1,672         |
|  | Program Total  |   | <u>802</u>              | <u>4,252</u>  |
|  |  |   | <u>7,058</u>            | <u>5,924</u>  |
| GENERAL SERVICES ADMINISTRATION              |  |   |                         |               |
| Passed through:                              |  |   |                         |               |
| State Office of Administration               |  |   |                         |               |
| 39.003                                       | Donation of Federal Surplus Personal Property                                      | N/A   | 19                      | 198           |
| Secretary of State -                         |  |   |                         |               |
| 39.011                                       | Election Reform Payment  | N/A   | 6,502                   | 0             |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES |  |   |                         |               |
| Passed through state                         |  |   |                         |               |
| Department of Health and Senior Services -   |  |   |                         |               |
| 93.268                                       | Immunization Grants  | PGA064-3208A                                    | 0                       | 5,000         |
|  | Program Total  | N/A   | <u>39,244</u>           | <u>32,202</u> |
|  |  |   | <u>39,244</u>           | <u>37,202</u> |
| 93.283                                       | Centers for Disease Control and Prevention - Investigator and Technical Assistance | AOC04380097                                     | 168,941                 | 138,934       |
| Department of Social Services -              |  |   |                         |               |
| 93.563                                       | Child Support Enforcement  | N/A   | 40,466                  | 9,442         |
| Department of Health and Senior Services -   |  |   |                         |               |
| 93.575                                       | Child Care and Development Block Grant   | PGA067-5208C                                    | 495                     | 0             |
|  |  | PGA067-5208S                                    | 80                      | 0             |
|  |  | PGA067-4208S                                    | 570                     | 80            |
|  |  | PGA067-4208C                                    | 935                     | 365           |
|  |  | PGA067-4207S                                    | 125                     | 0             |
|  |  | PGA067-3207S                                    | 445                     | 0             |
|  |  | PGA067-3208C                                    | 0                       | 765           |
|  |  | PGA067-3230C                                    | 0                       | 725           |
|  |  | PGA067-2208S                                    | 0                       | 1,345         |
|  |  | PGA067-2207S                                    | 160                     | 0             |
|  | Program Total  |   | <u>2,810</u>            | <u>3,280</u>  |

Schedule

TEXAS COUNTY, MISSOURI  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

| Federal<br>CFDA<br>Number                        | Federal Grantor/Pass-Through Grantor/Program Title  | Pass-Through<br>Entity<br>Identifying<br>Number | Federal Expenditures     |                       |
|--|---|---|--------------------------|-----------------------|
|  |   |   | Year Ended December 31,  |                       |
|  |   |   | 2004                     | 2003                  |
| 93.919   | Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Program | ERS161-40076                                    | 19,294                   | 0                     |
|  | Program Total   | ERS161-30009                                    | 0                        | 25,479                |
|  |   |   | <u>19,294</u>            | <u>25,479</u>         |
| 93.994   | Maternal and Child Health Services Block Grant to the States  | ERS146-4208M                                    | 23,744                   | 23,553                |
|  |   | ERS175-3077F                                    | 0                        | 3,319                 |
|  | Program Total   | N/A   | 0                        | 335                   |
|  |   |   | <u>23,744</u>            | <u>27,207</u>         |
| U.S. DEPARTMENT OF HOMELAND SECURITY             |   |   |                          |                       |
| Passed through state Department of Public Safety |   |   |                          |                       |
| 97.004   | State Domestic Preparedness Equipment Support Program   | 204-GE-T4-0049                                  | 9,693                    | 0                     |
| 97.051   | State and Local All Hazards Emergency Operations Planning*  | EMK-2003-GR-2540                                | 2,700                    | 3,300                 |
|  | Total Expenditures of Federal Award:  |   | \$ <u><u>569,116</u></u> | <u><u>961,861</u></u> |

\* These expenditures include awards made under CFDA number 16.007, 97.004, and 97.067

\*\* These expenditures include awards made under CFDA number 83.562 and 97.05

N/A - Not applicable

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule

Notes to the Supplementary Schedule

TEXAS COUNTY, MISSOURI  
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Texas County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistance* means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals. . . .

*Federal award* means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for Food Donation (CFDA number 10.550) represent the dollar value assigned to commodities based on prices provided by the state Department of Social Services.

Amounts for Donation of Federal Surplus Personal Property (CFDA number 39.003) represent the estimated fair market value of property at the time of receipt.

Amounts for Immunization Grants (CFDA number 93.268) and Maternal and Child Health Services Block Grant to the States (CFDA number 93.994) include both cash disbursements and the original acquisition cost of vaccines obtained by the Health Center through the state Department of Health and Senior Services.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 2004 and 2003.

FEDERAL AWARDS -  
SINGLE AUDIT SECTION

State Auditor's Report



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission  
and  
Officeholders of Texas County, Missouri

Compliance

We have audited the compliance of Texas County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2004 and 2003. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Texas County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2004 and 2003.

## Internal Control Over Compliance

The management of Texas County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the management of Texas County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo, this report is a matter of public record and its distribution is not limited.



Claire McCaskill  
State Auditor

June 30, 2005 (fieldwork completion date)

Schedule

TEXAS COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
YEARS ENDED DECEMBER 31, 2004 AND 2003

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified?  yes  no
- Reportable conditions identified that are not considered to be material weaknesses?  yes  none reported

Noncompliance material to the financial statements noted?  yes  no

Federal Awards

Internal control over major programs:

- Material weaknesses identified?  yes  no
- Reportable conditions identified that are not considered to be material weaknesses?  yes  none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?  yes  no

Identification of major programs:

| <u>CFDA or<br/>Other Identifying<br/>Number</u> | <u>Program Title</u>   |
|---|--|
| 16.580  | Edward Byrne Memorial State and Local Law Enforcement Assistance<br>Discretionary Grants Program |
| 20.205  | Highway Planning and Construction  |
| 93.283  | Centers for Disease Control and Prevention – Investigations and Technical<br>Assistance          |

Dollar threshold used to distinguish between Type A  
and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? \_\_\_\_\_ yes      x   no

**Section II - Financial Statement Findings**

This section includes no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

**Section III - Federal Award Findings and Questioned Costs**

This section includes no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

Follow-Up on Prior Audit Findings for an  
Audit of Financial Statements Performed in Accordance  
With *Government Auditing Standards*

TEXAS COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

The prior audit report issued for the two years ended December 31, 2002, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Summary Schedule of Prior Audit Findings  
in Accordance With OMB Circular A-133

TEXAS COUNTY, MISSOURI  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

This section represents the Summary Schedule of Prior Audit Findings, which was prepared by the county's management.

02-1. Schedule of Expenditures of Federal Awards

|                       |   |
|-----------------------|---|
| Federal Grantor:      | U.S. Department of Agriculture  |
| Pass-Through Grantor: | State Department of Health and Senior Services                          |
| Federal CFDA Number:  | 10.557  |
| Program Title:        | Special Supplemental Nutrition Program for Women, Infants, and Children |
| Pass-Through Entity   |   |
| Identifying Number:   | ERS045-1208, ERS045-2208, and ERS045-3208                               |
| Award Year:           | 2002 and 2001   |
| Questioned Costs:     | Not applicable  |
| Federal Grantor:      | U.S. Department of Agriculture  |
| Pass-Through Grantor: | State Office of Administration  |
| Federal CFDA Number:  | 10.665  |
| Program Title:        | Schools and Roads – Grants to States                                    |
| Pass-Through Entity   |   |
| Identifying Number:   | Not applicable  |
| Award Year:           | 2002 and 2001   |
| Questioned Costs:     | Not applicable  |

Federal Grantor: U.S. Department of Housing and Urban Development  
Pass-Through Grantor: State Department of Economic Development  
Federal CFDA Number: 14.228  
Program Title: Community Development Block Grants/State's Program  
Pass-Through Entity  
Identifying Number: 99-PF-09  
Award Year: 2001  
Questioned Costs: Not applicable

Federal Grantor: U.S. Department of Transportation  
Pass-through Grantor: State Highway and Transportation Commission  
Federal CFDA Number: 20.205  
Program Title: Highway Planning and Construction  
Pass-through Entity  
Identifying Number: BRO-107(7)  
Award Year: 2002 and 2001  
Questioned Costs: Not applicable

The county did not have procedures in place to track federal awards for preparation of the SEFA and the county's SEFA contained numerous errors and omissions for several programs.

Recommendation:

The County Clerk prepare a complete and accurate schedule of expenditures of federal awards.

Status:

Implemented.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -  
State Auditor's Findings

TEXAS COUNTY, MISSOURI  
MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS

We have audited the financial statements of various funds of Texas County, Missouri, as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated June 30, 2005. We also have audited the compliance of Texas County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2004 and 2003, and have issued our report thereon dated June 30, 2005.

Because the Texas County Memorial Hospital Board is audited and separately reported on by other independent auditors, the related fund is not presented in the financial statements. However, we reviewed those audit reports and other applicable information.

In addition, we have audited the operations of elected officials with funds other than those presented in the financial statements to comply with the State Auditor's responsibility under Section 29.230, RSMo, to audit county officials at least once every 4 years. The objectives of this audit were to:

1. Review the internal controls over the transactions of the various county officials.
2. Review compliance with certain legal provisions.

Our methodology to accomplish these objectives included reviewing accounting and bank records and other pertinent documents; interviewing various personnel of the county officials, as well as certain external parties; and testing selected transactions.

In addition, we obtained an understanding of internal controls significant to the audit objectives and considered whether specific controls have been properly designed and placed in operation. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We also obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances.

This Management Advisory Report (MAR) presents any findings arising from our audit of the elected county officials and the county board referred to above. In addition, this report includes any

findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These MAR findings resulted from our audit of the financial statements of Texas County or of its compliance with the types of compliance requirements applicable to each of its major federal programs but do not meet the criteria for inclusion in the written reports on compliance (and other matters, if applicable) and on internal control over financial reporting or compliance that are required for audits performed in accordance with *Government Auditing Standards* and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

1.

**Collector Tax Maintenance Fund**

The former Ex Officio County Collector did not document that some monies spent from the Collector Tax Maintenance Fund complied with state law. In July 2004, \$7,591 was transferred to the General Revenue Fund from the Collector Tax Maintenance Fund to help pay for heating and air conditioning for the first floor of the courthouse, which includes the Ex Officio County Collector's office. In addition, the former Ex Officio County Collector transferred the entire balance of the Collector Tax Maintenance Fund, totaling \$3,043, to the General Revenue Fund in March 2005 for the County Commission to purchase cleaning equipment for the courthouse.

Section 52.312, RSMo, established a tax maintenance fund to be used solely as a depository for funds received or collected for the purpose of funding additional costs and expenses incurred in the office of collector. Section 52.315, RSMo, indicates these funds shall be used for the administration and operation of the office of collector. There is no documentation to show that the purchases noted in the previous paragraph comply with state law.

**WE RECOMMEND** the County Commission and Ex Officio County Collector review this matter and determine if any amounts should be reimbursed to the Collector Tax Maintenance Fund. The county should ensure future expenditures from this fund comply with state law.

**AUDITEE'S RESPONSE**

*The County Commission responded:*

*We believe the \$7,591 that was transferred to the General Revenue Fund from the Collector Tax Maintenance Fund for the entire heating and cooling system on the first floor in lieu of window air conditioners and space heaters, which were much more expensive and not in the best interest of energy efficiency, did benefit the collector's office. We also believe the legislative intent for this segregated fund was for the collectors to have complete control over it. The former Ex Officio County Collector did have complete control over this fund and we commend her for transferring the remaining balance to the General Revenue Fund after she saw all of the needs of her office had been met. We feel she was using the taxpayer's money wisely. Since Section 52.315, RSMo, and Section 52.317, RSMo, seem to contradict each other, we have requested a legal opinion on this matter. We will take appropriate action after legal counsel has given his opinion.*

*The current Ex Officio County Collector responded:*

*I have requested the County Commission to return the \$3,043 to the Collector Tax Maintenance Fund and to seek legal counsel to review the \$7,591 transfer. I have talked to other county collectors who were involved in the writing and passage of this law and they have all indicated that there was never the intent to transfer large amounts from the Collector Tax Maintenance Fund to the General Revenue Fund. As I have been in office for sometime now, I have seen a need and would like to make some improvements to the office, and the revenues of the Collector Tax Maintenance Fund as intended by state statute would be able to make the changes without being an expense from the General Revenue Fund.*

*The former Ex Officio County Collector responded:*

*As an elected official, I had a legal obligation to follow the law and in my opinion, a moral obligation to act in the best interests of the taxpayers who elected me. I have made the following decisions.*

*In 2004, I budgeted and transferred \$7,591 to the General Revenue Fund as a partial payment for the heating and cooling of the street level of the Texas County Courthouse. This benefited all county offices on that floor in the courthouse as well as citizens using the courthouse. This action benefited the collector's office by not only providing a heated environment in the winter and a cooled environment in the summer, but also addressed the safety and security risks posed by the use of electric heaters in the winter and the use of window air conditioners which did not allow the proper locking of windows in the office. The financial condition of the county did not allow these expenditures without the aid of the Collector Tax Maintenance Fund. Realistically, I could not heat and cool my office without benefiting the other offices.*

*In the budget for 2005, I realized that after generous allowances for expenses and training, there were funds that could be made available for the benefit of the collector's office as a member of the general population of the employees at the courthouse. An example was the vacuum sweeper being held together by duct tape and used on a regular basis by the janitor and my office when needed. At the end of the last fiscal year of my term as collector (February 28, 2005), I figured the balance in the Collector Tax Maintenance Fund and transferred the monies from the budgeted item "Tax Maintenance Fund Grants" to be used for facility improvement. I used the end of the collector's fiscal year because it is different from the county's fiscal year which is referred to in the statutes.*

*I knew this would not be a detrimental act to my successor because March is a heavy collection month and in fact I turned a check over to the current officeholder for \$1,862 payable to the Collector Tax Maintenance Fund.*

*I hope these comments clarify my actions as a public servant in the capacity of Treasurer and Ex Officio Collector of Texas County. I do not believe my actions violate the intent of the statutes or my moral obligations to the taxpayers. I do not believe Section 52.315, RSMo, (first passed in 2002) should be interpreted by the auditor's office in the manner presented to the county commission. Finally, I am not aware of any Attorney General's opinion or Missouri case law that state it was*

*improper for me to use my discretion in transferring a portion of the funds to the General Revenue Fund to benefit additional proper county expenditures which assisted my office and others at the same time.*

*In the final analysis, the State Auditor's office is criticizing me because I used my "statutory discretion" and spent public funds for the benefit of many instead of myself. I know I cannot agree with that position.*

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|--|
| <b>2. Public Administrator's Controls and Procedures</b> |
|--|

The Public Administrator acts as the court-appointed personal representative for wards or decedent estates of the Probate Court. During the two years ending December 31, 2004, the Public Administrator handled approximately 57 estates.

The Public Administrator does not file annual settlements in a timely manner. During the audit period and the first few months of 2005, annual settlements were filed 4 to 33 months after their due date. Section 473.540, RSMo, requires the Public Administrator to file with the probate court an annual settlement for each ward on the anniversary date of becoming the personal representative.

In addition, the county has noted a significant decrease in fees received on the Public Administrator's estates, and it appears this is partly attributable to the untimely filing of annual settlements. Fees are approved by the Probate Division Judge when the annual settlements are filed, and the fees are then turned over to the county treasury. The following table shows the decrease in Public Administrator fees received by the county:

| Year | Fees Paid to the County |
|------|-------------------------|
| 2002 | \$22,000                |
| 2003 | 15,000                  |
| 2004 | 5,000                   |

Timely filing of annual settlements is necessary to help ensure fees are turned over the county in a timely manner.

**WE RECOMMEND** the Public Administrator and the Probate Division Judge ensure annual settlements are filed and fees are turned over to the county on a timely basis.

**AUDITEE'S RESPONSE**

*The Public Administrator indicated she has been able to complete the late settlements and will work to prepare future settlements on a timely basis.*

*The Probate Division Judge indicated this has been corrected.*

|  |
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| <b>3. Prosecuting Attorney's Controls and Procedures</b> |
|--|

Unidentified monies being held in an old bank account should be identified and disbursed. Receipts are not always deposited timely and checks and money orders are not restrictively endorsed until deposited. Bank reconciliations are not prepared in a timely manner and the original copies of voided checks are not always maintained. In addition, controls and procedures for following up on old outstanding checks and preparing listings of open items (liabilities) have not been established.

The Prosecuting Attorney's Office collected court-ordered restitution and bad check fees and restitution totaling approximately \$73,000 and \$75,000 during the years ended December 31, 2004 and 2003, respectively.

A. The current Prosecuting Attorney has custody of a bank account in which restitution and bad check fees were deposited by the prior officeholder. This account has a balance of approximately \$30,000 which has not been identified to specific cases. The current Prosecuting Attorney indicated the account had a balance of approximately \$57,000 on January 1, 2003 when he took office. He indicated that records from the prior officeholder were obtained and researched and monies were disposed of on many cases; however, some monies could not be identified. The Prosecuting Attorney should continue to attempt to identify the monies and close the account. Any monies which remain unclaimed or unidentified should be disposed of in accordance with state law.

B. Receipts are not deposited in a timely manner. Receipts are normally deposited once a week. In addition, checks and money orders are not restrictively endorsed immediately upon receipt.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be deposited daily or when accumulated receipts exceed \$100, and checks and money orders should be restrictively endorsed immediately upon receipt.

C. Formal policies have not been established to routinely follow up on old outstanding checks. At December 31, 2004, 10 checks totaling \$319 had been outstanding for more than one year. These old outstanding checks create additional and unnecessary record-keeping responsibilities. Attempts should be made to periodically locate the payees of old outstanding checks, and the checks should be reissued if possible. If the payees cannot be located, the monies should be disposed of as provided by state law.

- D. Bank reconciliations are not prepared and the original copies of voided checks are not always maintained. Upon our request, a bank reconciliation was prepared for December 2004 and office personnel indicated reconciliations would be prepared monthly starting in 2005.

The preparation of monthly bank reconciliations is necessary to ensure accounting records agree with bank records and errors are discovered on a timely basis. In addition, voided checks should be properly mutilated and retained.

- E. Monthly listings of open items are not prepared. Of the reconciled bank account balance of \$7,484 at December 31, 2004, \$6,422 has not been identified to specific cases. A complete and accurate listing of open items should be prepared monthly and reconciled to the cash balance to ensure records are in balance and sufficient funds are available for the payment of all liabilities. Any unidentified amounts should be investigated and resolved.

Conditions similar to Parts B, D, and E. were noted in a prior report.

**WE RECOMMEND** the Prosecuting Attorney:

- A. Attempt to identify the monies held in the old bank account, dispose of unidentified and unclaimed monies in accordance with state law, and close the account.
- B. Deposit all monies intact daily or when accumulated receipts exceed \$100, and restrictively endorse checks and money orders immediately upon receipt.
- C. Establish formal policies to periodically investigate and reissue old outstanding checks. Amounts which remain unclaimed should be disposed of in accordance with state law.
- D. Prepare and document monthly bank reconciliations and maintain original copies of all voided checks.
- E. Prepare monthly listings of open items and reconcile to the cash balance.

**AUDITEE'S RESPONSE**

- A. *I agree with the finding and recommendation wholeheartedly. The monies left by my predecessor have been identified to the best of our abilities to do so. I intend to contact the State Treasurer's Office to determine the proper procedures to follow in seeing these funds escheat to the state by or before year end, 2005.*
- B. *It is my opinion that daily deposits are unnecessary and time consuming, especially given that we handle no cash in this office whatsoever. I require that all monies paid through this office be in the form of a money order or cashiers check. I will instruct my staff to make a*

*deposit every Wednesday and Friday if monies on hand exceed \$100, and more often if special circumstances warrant.*

- C. This is a particularly difficult problem for us to rectify. Often the people who receive payments from our office have left the area, gone out of business, or as was the case recently, are deceased. Following up on every check to see which ones have and which ones have not been paid out is beyond our limited resources in manpower. In connection with performing monthly bank reconciliations (as mentioned in the next section), we will try to tie this effort with that effort and dispose of unclaimed amounts as time permits.*
- D. This matter has already been addressed. In the future, every effort will be made to ensure monthly reconciliations are performed, as well as proper retention of voided checks.*
- E. This problem seems to be a carry over from the first couple of months I was in office, and before proper procedures were put in place. Since that time, our ability to track open items and to reconcile balances has been greatly improved. We will attempt to identify the \$6,422 balance and pay it out to the proper persons. Any monies not identified after a reasonable time period, will escheat to the state.*

|   |
|---|
| <b>4. Sheriff's Controls and Procedures</b> |
|---|

Accounting duties are not adequately segregated, some receipts are not recorded and deposited timely, checks and money orders received are not restrictively endorsed until deposited, and the method of payment is not always indicated on the receipt slips. Old outstanding checks are not periodically investigated and bank reconciliations are not documented.

The Sheriff's office received monies for civil and criminal process fees, gun permits, bonds, and other miscellaneous receipts totaling approximately \$93,000 and \$102,000 during the years ending December 31, 2004 and 2003, respectively.

- A.** Accounting and bookkeeping duties are not adequately segregated. One clerk is primarily responsible for receiving and recording monies and disbursing the monies to the County Treasurer. Proper segregation of duties helps ensure that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving and recording receipts from disbursing receipts. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of the records should be performed and documented.
- B.** Some receipts are not recorded or deposited in a timely manner. Receipts received by mail are placed in a locked box and are not recorded or deposited until all case information is received, such as the case number, defendant name or other litigants.

On May 19, 2005, a cash count noted \$1,005 in checks which was not recorded. Most of the checks were received in the past month and some were received more than a month earlier. Other receipts are normally deposited once a week. In addition, checks and money orders are not restrictively endorsed immediately upon receipt.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be recorded and deposited daily or when accumulated receipts exceed \$100. In addition, checks and money orders should be restrictively endorsed upon receipt.

- C. The Sheriff's office receives cash, checks, and money orders. The method of payment received is not always indicated on the receipt slips. To ensure all receipts are properly accounted for and deposited intact, the method of payment should be recorded on all receipt slips and the composition of receipt slips issued should be reconciled to bank deposits.
- D. Formal policies have not been established to routinely follow up on old outstanding checks. At May 31, 2005, checks totaling \$385 had been outstanding for over a year, including \$320 in a lump sum amount carried forward which is not identified to specific checks issued. Sheriff's personnel indicated this lump sum amount has been carried on the outstanding check list for several years. These old outstanding checks create additional and unnecessary record-keeping responsibilities. Attempts should be made to periodically locate the payees of old outstanding checks, and the checks should be reissued if possible. If the payees cannot be located, the monies should be disposed of as provided by state law.
- E. Bank reconciliations are not documented. Sheriff's personnel indicated reconciliations are performed in which the bank balance is reconciled to the check register balance, but not documented. Upon request, the May 2005 bank reconciliation was properly documented. In addition, the reconciliation indicates the book balance is \$483 more than the reconciled bank balance. Sheriff's personnel indicated this discrepancy had been \$500 but they had identified and corrected a small portion of this discrepancy, and that the discrepancy was carried forward from the prior sheriff's administration.

The preparation of monthly bank reconciliations is necessary to ensure accounting records agree with bank records and errors are discovered on a timely basis. In addition, the discrepancy between the book and bank balance should be investigated and resolved.

Conditions similar to Parts A, B, and E. were noted in a prior report.

**WE RECOMMEND** the Sheriff:

- A. Segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- B. Issue receipt slips immediately upon receipt and deposit all monies intact daily or when accumulated receipts exceed \$100. In addition, checks and money orders should be restrictively endorsed immediately upon receipt.
- C. Indicate the method of payment on all receipt slips and reconcile the composition of receipts to the composition of deposits.
- D. Establish formal policies to periodically investigate and reissue old outstanding checks. Amounts which remain unclaimed should be disposed of in accordance with state law.
- E. Prepare and document monthly bank reconciliations. In addition, the discrepancy between the book and bank balance should be investigated and resolved.

**AUDITEE'S RESPONSE**

- A. *We do not have the manpower to segregate duties; however, I will start performing periodic supervisory reviews.*
- B&C. *These have already been implemented.*
- D. *We agree to periodically investigate old outstanding checks and take appropriate action to resolve them.*
- E. *Bank reconciliations are now prepared. We will review the discrepancy and take the necessary steps to resolve this.*

|           |   |
|-----------|---|
| <b>5.</b> | <b>Associate Circuit Division's Controls and Procedures</b> |
|-----------|---|

Receipts are not deposited timely, checks and money orders are not restrictively endorsed immediately upon receipt, and monthly listings of open items (liabilities) are not prepared for the criminal/traffic and bond accounts. Receipts totaling approximately \$817,000 and \$551,000 were processed during the years ending December 31, 2004 and 2003, respectively.

- A. Receipts are not deposited intact in a timely manner. Receipts are deposited once or twice a week, normally after court is held. In addition, checks and money orders are not restrictively endorsed immediately upon receipt. A cash count was conducted on April 27, 2005, which consisted of 94 checks and money orders totaling \$10,879. Many checks and money orders had been dated 2-3 weeks prior to the cash count and some others were actually more than two months old, and none were restrictively endorsed. Court personnel indicated they sometimes receive payments which are not

recorded and deposited until the applicable traffic ticket is filed by the Prosecuting Attorney.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be deposited intact daily or when accumulated receipts exceed \$100, and checks and money orders should be restrictively endorsed immediately upon receipt.

- B. Monthly listings of open items are not prepared for the criminal/traffic or bond accounts. The criminal/traffic account is maintained for court fees which are disbursed on a monthly basis; therefore, the balance in the account should represent the amount of fees collected during the month. The bond account is maintained for bonds collected which are disbursed when the related case is disposed or transferred to another jurisdiction. The reconciled bank balances were \$26,918 for the criminal/traffic account and \$23,972 for the bond account at December 31, 2004, and although check registers are maintained of the account balances (which agree to the reconciled bank balances), the check register balances are not reconciled to open items. We attempted to reconcile the account balances to open items and noted \$1,275 in the criminal/traffic account and \$972 in the bond account which could not be identified to specific cases.

Preparing accurate listings of open items and agreeing the total with the reconciled cash balances help ensure sufficient assets exist to cover liabilities and all monies are properly recorded and handled. Any unidentified differences between the cash balances and open items should be investigated and resolved.

Conditions similar to Part B. were noted in a prior report.

**WE RECOMMEND** the Associate Circuit Judge:

- A. Ensure receipts are deposited intact daily or when accumulated receipts exceed \$100, and ensure checks and money orders are restrictively endorsed immediately upon receipt.
- B. Ensure monthly listings of open items are prepared for the criminal/traffic and bond accounts and reconciled to the cash balances.

**AUDITEE'S RESPONSE**

*A&B. These are being corrected.*

|  |
|--|
| <b>6. Assessor's Controls and Procedures</b> |
|--|

Receipt slips are not always issued for monies received, receipts are not maintained in a secure location prior to transmittal, and checks and money orders are not restrictively endorsed immediately upon receipt. The Assessor's office processed receipts for maps and photocopies of approximately \$3,600 and \$4,200 during the years ending December 31, 2004 and 2003, respectively.

- A. The Assessor's office accepts cash, checks, and money orders. Receipt slips are not issued for some monies received, and the method of payment is not indicated on the receipt slips. To ensure monies are properly accounted for and transmitted intact, pre-numbered receipt slips indicating the method of payment should be issued for all monies received and the composition of receipt slips issued should be reconciled to the composition of transmittals to the County Treasurer.
- B. Checks and money orders are not restrictively endorsed immediately upon receipt or maintained in a secure location prior to transmittal. Receipts are maintained in a unlocked drawer to which all office employees have access. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, checks and money orders should be restrictively endorsed immediately upon receipt and maintained in a secure location until transmitted.

Similar conditions were noted in a prior report.

**WE AGAIN RECOMMEND** the Assessor:

- A. Issue pre-numbered receipt slips for all monies received, indicate the method of payment on all receipt slips, and reconcile total cash, checks, and money orders received to amounts transmitted to the County Treasurer.
- B. Restrictively endorse checks and money orders immediately upon receipt and maintain monies in a secure location until transmitted.

**AUDITEE'S RESPONSE**

*A&B. I agree and have already implemented these recommendations.*

## Follow-Up on Prior Audit Findings

TEXAS COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Texas County, Missouri, on findings in the Management Advisory Report (MAR) of the audit report issued for the two years ended December 31, 2000. Any prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the county should consider implementing those recommendations.

1. County Budgets and Financial Reporting

- A. The approved budget documents for several county funds did not adequately reflect the anticipated financial condition. Expenditures were budgeted to use substantially all available resources. In addition, for most of the smaller county funds, the budgets projected ending balances of zero while the actual ending balances were normally much higher.
- B. Formal budgets were not prepared or obtained for various county funds.
- C. The annual published financial statements of the county did not include the financial activity of some county funds as required.

Recommendation:

The County Commission:

- A. Estimate receipts and disbursements as closely as possible to the anticipated actual amounts so that the budget documents present a reasonable estimate of the county's financial plan and ending cash balances.
- B. Ensure budgets are prepared or obtained for all county funds.
- C. Ensure financial information for all county funds is properly reported in the annual published financial statements.

Status:

- A. Partially implemented. Budgets for the larger funds have more accurately reflected the anticipated financial condition; however, budgets for some smaller funds project ending balances of zero while the actual balances are much higher. Although not repeated in the current MAR, our recommendation remains as stated above.

- B. Partially implemented. Formal budgets were prepared for all but two smaller funds. Although not repeated in the current MAR, our recommendation remains as stated above.
- C. Partially implemented. The published financial statements included all but two smaller funds. Although not repeated in the current MAR, our recommendation remains as stated above.

2. Associate Commissioners' Salaries

The associate county commissioners received mid term salary increases of \$7,580 in 1999 and 2000. In 2001, the Missouri Supreme Court ruled that these mid-term salary increases violated the Missouri Constitution.

Recommendation:

The County Commission review the impact of this decision and develop a plan for obtaining repayment of the salary overpayments.

Status:

Not implemented. The county's records were reviewed and no salaries had been repaid. The county indicated the Salary Commission made the decision to give mid-term salary increases based on allowable state law. The County Commission indicated they did inquire of legal counsel but did not receive a response. Although not repeated in the current MAR, our recommendation remains as stated above.

3. County Procedures

- A. The county held a significant balance in the Domestic Violence Victim Fund which could be distributed to shelters for victims of domestic violence. In addition, approximately \$9,000 in domestic violence fees were deposited into the General Revenue Fund.
- B. The county deposited approximately \$5,400 of unidentified and unclaimed monies to the General Revenue Fund which should have been turned over to the state.

Recommendation:

The County Commission:

- A. Ensure Domestic Violence Victim Fund monies are disbursed to qualifying shelters in a timely manner. In addition, the county should determine the amount of domestic violence fees deposited into the General Revenue Fund since 1991 and transfer that amount to the Domestic Violence Victim Fund.

- B. Review the county's procedures for disposing of unclaimed and unidentified monies and ensure applicable state laws are followed. The county should review the \$5,400 turned over to the General Revenue Fund and determine if any of this money should be remitted to the state Unclaimed Property Section.

Status:

- A. Partially implemented. During the current audit period, monies were disbursed to qualifying shelters in a timely manner; however, the county did not reimburse any fees from the General Revenue Fund to the Domestic Violence Victim Fund. Although not repeated in the current MAR, our recommendation remains as stated above.
- B. Partially implemented. During the current audit period, unclaimed monies were remitted to the state; however, the county did not review the \$5,400 to determine if any of this money should be remitted to the state Unclaimed Property Section. Although not repeated in the current MAR, our recommendation remains as stated above.

4. General Fixed Assets

The county did not establish written policies related to the handling and accounting for general fixed assets. Some equipment purchases were not recorded on the inventory listing. Additions to the inventory listing were not reconciled to equipment expenditures nor to the annual physical inventory records.

Recommendation:

The County Commission establish a written policy related to the handling and accounting for general fixed assets. In addition to providing guidance on accounting and record keeping, the policy could include necessary definitions, address important dates, establish standardized forms and reports to be used, discuss procedures for the handling of asset disposition, and any other concerns associated with county property.

Status:

Implemented. The County Clerk started revising the general fixed asset listing in 2005 and has substantially completed the task, and a written policy was issued by the County Commission in 2003.

5. Property Tax System and Ex Officio County Collector's Controls

- A. Additions and abatements of property taxes were entered into the property tax system by the Ex Officio County Collector. As the person responsible for collecting taxes,

the Ex Officio County Collector should not have the capability to make changes to the tax data.

- B. Checks and money orders were not restrictively endorsed immediately upon receipt.
- C. Annual settlements were not filed with the County Commission on a timely basis, and the former Ex Officio County Collector had not filed a settlement for the year ended February 28, 2001.

Recommendation:

- A. The Ex Officio County Collector and the County Commission revise the addition/abatement process so that the Ex Officio County Collector does not have the capability to make changes to computerized property tax data. At a minimum, there should be independent reconciliations between the Assessor's records and the Ex Officio County Collector's records of additions and abatements.
- B. The Ex Officio County Collector restrictively endorse checks and money orders immediately upon receipt.
- C. The former Ex Officio County Collector complete the annual settlement for the year ended February 28, 2001, and file it with the County Commission.

Status:

A-C. Implemented.

6. Prosecuting Attorney's Accounting Controls and Procedures

- A. Bad check restitutions and fees were not recorded, transmitted to the merchants, or deposited into the bank accounts on a timely basis. In addition, fees were not turned over to the County Treasurer on a timely basis.
- B. Receipt slips were not issued for some monies received and redi-form receipts slips were issued rather than official, pre-numbered receipt slips.
- C. An adequate system was not established to account for bad check complaints received, as well as the subsequent disposition of those complaints.
- D. Formal bank reconciliations were not prepared on a monthly basis.
- E. Monthly listings of open items were not prepared.
- F. Money orders received were not restrictively endorsed immediately upon receipt.

G. Voided checks were shredded and were not maintained.

Recommendation:

The Prosecuting Attorney:

- A. Deposit all monies intact daily or when accumulated receipts exceed \$100. In addition, turn over all fees monthly to the County Treasurer as required by state law.
- B. Issue pre-numbered official receipt slips for all monies received.
- C. Implement procedures to adequately track bad check complaints received as well as the ultimate disposition of each complaint through the use of a bad check complaint log.
- D. Prepare bank reconciliations on a monthly basis.
- E. Prepare monthly listings of open items and reconcile to the cash balance.
- F. Restrictively endorse money orders immediately upon receipt.
- G. Ensure all voided checks are defaced and retained.

Status:

- A. Partially implemented. Fees are turned over monthly to the County Treasurer; however, deposits are not made timely. See MAR Finding Number 3.
- B. Partially implemented. Official pre-numbered receipt slips are now used. While receipt slips are not issued for most monies received by mail, receipts are recorded on a ledger immediately upon receipt. Although not repeated in the current MAR, our recommendation remains as stated above.
- C. Implemented.
- D-G. Not implemented. See MAR Finding Number 3.

7. Sheriff's Accounting Controls and Procedures

- A. Accounting and bookkeeping duties were not adequately segregated.
- B. Receipts were not deposited in a timely manner.
- C. Bank reconciliations were not performed on a timely basis.

D. Monthly listings of open items were not prepared for the bond account.

Recommendation:

The Sheriff:

- A. Segregate accounting and bookkeeping duties to the extent possible. At a minimum, there should be documented supervisory reviews of the accounting records.
- B. Deposit all monies intact daily or when accumulated receipts exceed \$100.
- C. Prepare bank reconciliations on a monthly basis.
- D. Prepare monthly listings of listings open items and reconcile to the cash balance.

Status:

- A-C. Not implemented. See MAR Finding Number 4.
- D. The bond bank account is no longer maintained by the Sheriff. Bonds are now held by the Associate Circuit Division.

8. Circuit Clerk and Ex Officio Recorder of Deeds' Controls and Procedures

- A. Monthly listings of open items were not prepared for the Circuit Clerk's fee account.
- B. Interest totaling \$1,416 earned on the Ex Officio Recorder's fee account since January 1, 1995 was not turned over to the County Treasurer.

Recommendation:

The Circuit Clerk and Ex Officio Recorder of Deeds:

- A. Prepare monthly listings of open items and reconcile to the cash balance.
- B. Disburse the \$1,416 in interest earned on the Ex Officio Recorder of Deeds' account to the County Treasurer, and turn over future interest periodically.

Status:

A&B. Implemented.

9. Associate and Probate Divisions' Accounting Controls and Procedures

- A. Accounting and bookkeeping duties were not adequately segregated for the Associate and Probate divisions.
- B. Monthly bank reconciliations were not prepared for the criminal/traffic account.
- C. Monthly listings of open items were not prepared for the criminal/traffic account.

Recommendation:

The Circuit Clerk:

- A. Segregate accounting and bookkeeping duties to the extent possible. At a minimum there should be documented supervisory reviews of the accounting records.
- B. Prepare bank reconciliations for the criminal/traffic account on a monthly basis.
- C. Prepare monthly listings of open items for the criminal/traffic account and reconcile to the cash balance.

Status:

A&B. Implemented.

C. Not implemented. See MAR Finding Number 5.

10. Assessor's Accounting Controls and Procedures

- A. The Assessor did not transmit receipts to the County Treasurer intact or on a timely basis. Some cash receipts were retained as a change fund or as petty cash for expenditures of the office.
- B. The Assessor's office issued receipts slips; however copies of the receipt slips were not maintained.
- C. Checks and money orders were not restrictively endorsed immediately upon receipt.

Recommendation:

The Assessor:

- A. Transmit all monies to the County Treasurer intact monthly as required by state law. Change funds or petty cash funds should be kept at a constant amount and approved by the County Commission.

- B. Issue pre-numbered receipt slips for all monies received, ensure the method of payment is indicated on all receipt slips, and reconcile total cash, checks, and money orders received to amounts transmitted to the County Treasurer.
- C. Restrictively endorse checks and money orders immediately upon receipt.

Status:

A. Implemented.

B&C. Not implemented. See MAR Finding Number 6.

STATISTICAL SECTION

History, Organization, and  
Statistical Information

TEXAS COUNTY, MISSOURI  
HISTORY, ORGANIZATION,  
AND STATISTICAL INFORMATION

Organized in 1845, the county of Texas was named after the Republic of Texas. Texas County is a township-organized, third-class county and is part of the 25th Judicial Circuit. The county seat is Houston.

Texas County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The townships maintain approximately 1,100 miles of county roads and the townships and the county maintain approximately 352 county bridges and low water crossings.

The county's population was 21,070 in 1980 and 23,003 in 2000. The following chart shows the county's change in assessed valuation since 1980:

|                        |    | Year Ended December 31, |       |       |       |       |        |
|------------------------|----|-------------------------|-------|-------|-------|-------|--------|
|                        |    | 2004                    | 2003  | 2002  | 2001  | 1985* | 1980** |
|                        |    | (in millions)           |       |       |       |       |        |
| Real estate            | \$ | 94.1                    | 92.2  | 88.5  | 89.1  | 61.5  | 22.4   |
| Personal property      |    | 44.0                    | 44.9  | 43.5  | 40.8  | 16.3  | 9.2    |
| Railroad and utilities |    | 9.6                     | 10.0  | 10.1  | 10.0  | 5.5   | 5.3    |
| Total                  | \$ | 147.7                   | 147.1 | 142.1 | 139.9 | 83.3  | 36.9   |

\* First year of statewide reassessment.

\*\* Prior to 1985, separate assessments were made for merchants' and manufacturers' property. These amounts are included in real estate.

Texas County's property tax rates per \$100 of assessed valuations were as follows:

|                            |  | Year Ended December 31, |       |       |       |
|----------------------------|--|-------------------------|-------|-------|-------|
|                            |  | 2004                    | 2003  | 2002  | 2001  |
| Health Center Fund         |  | .1000                   | .1000 | .1000 | .1000 |
| Habilitation Services Fund |  | .1000                   | .1000 | .1000 | .1000 |

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county and townships bill and collect property taxes for themselves and most other local governments. Taxes collected were distributed as follows:

|                                | Year Ended February 28 (29), |           |           |           |
|--------------------------------|------------------------------|-----------|-----------|-----------|
|                                | 2005                         | 2004      | 2003      | 2002      |
| State of Missouri              | \$ 45,611                    | 44,809    | 42,942    | 41,006    |
| Townships and township roads   | 671,151                      | 656,726   | 624,265   | 588,173   |
| Assessment Fund                | 74,505                       | 59,053    | 57,667    | 54,339    |
| Health Center Fund             | 149,547                      | 147,112   | 141,001   | 134,534   |
| Habilitation Services Fund     | 149,404                      | 147,112   | 141,001   | 134,534   |
| School districts               | 4,616,831                    | 4,627,871 | 4,422,205 | 4,228,958 |
| Library district               | 154,409                      | 152,270   | 145,556   | 138,976   |
| Ambulance districts            | 27,767                       | 28,755    | 27,042    | 25,963    |
| Hospital                       | 28                           | 28        | 28        | 244       |
| Collector Tax Maintenance Fund | 12,177                       | 11,915    | 2,692     | 0         |
| Tax sale redemption            | 853                          | 0         | 3,254     | 3,274     |
| Overplus                       | 2,108                        | 82        | 5,640     | 428       |
| Other                          | 10,497                       | 2,197     | 4,343     | 1,828     |
| Cities                         | 45,946                       | 45,904    | 40,793    | 40,829    |
| County Clerk                   | 2,754                        | 2,702     | 2,808     | 2,755     |
| County Employees' Retirement   | 34,539                       | 35,091    | 31,200    | 29,928    |
| Commissions and fees:          |                              |           |           |           |
| Township collectors            | 49,737                       | 49,424    | 48,029    | 46,500    |
| General Revenue Fund           | 52,683                       | 49,794    | 48,880    | 46,906    |
| Total                          | \$ 6,100,547                 | 6,060,845 | 5,789,346 | 5,519,175 |

Percentages of current taxes collected were as follows:

|                        | Year Ended February 28 (29), |      |      |      |   |
|------------------------|------------------------------|------|------|------|---|
|                        | 2005                         | 2004 | 2003 | 2002 |   |
| Real estate            | 93                           | 92   | 91   | 89   | % |
| Personal property      | 90                           | 90   | 89   | 88   |   |
| Railroad and utilities | 100                          | 100  | 100  | 100  |   |

Texas County also has the following sales taxes; rates are per \$1 of retail sales:

|         | Rate     | Expiration Date | Required Property Tax Reduction |   |
|---------|----------|-----------------|---------------------------------|---|
| General | \$ .0050 | N/A             | 50                              | % |

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below.

| Officeholder  | 2005   | 2004   | 2003   | 2002   | 2001   |
|---|--------|--------|--------|--------|--------|
| County-Paid Officials:  | \$     |        |        |        |        |
| Don Shelhammer, Presiding Commissioner  |        | 28,400 | 28,400 |        |        |
| Larry Southern, Presiding Commissioner  |        |        |        | 28,400 | 28,400 |
| Joe B. Whetstine, Associate Commissioner  |        | 26,400 | 26,400 | 26,400 | 26,400 |
| Linda L. Garrett, Associate Commissioner  |        | 26,400 | 26,400 | 26,400 | 26,400 |
| Donald R. (Don) Troutman, County Clerk  |        | 40,000 | 40,000 | 40,000 | 40,000 |
| Mike Anderson, Prosecuting Attorney   |        | 59,500 | 59,500 |        |        |
| Doug Gaston, Prosecuting Attorney   |        |        |        | 57,833 | 52,000 |
| Dean Belshe, Sheriff  |        | 44,000 | 44,000 | 44,000 | 44,000 |
| Thomas C. Whittaker, County Coroner   |        | 12,000 | 12,000 | 12,000 | 12,000 |
| Theresa Campbell, Public Administrator  |        | 40,000 | 40,000 | 40,000 | 40,000 |
| Vicki Hutcheson, County Treasurer and Ex Officio<br>Collector, year ended March 31, | 40,000 | 40,000 | 40,000 | 40,000 |        |
| Bruce Wilson, County Assessor (1),<br>year ended August 31,                         |        | 40,765 | 40,900 | 40,900 | 40,900 |
| Louie Carmack Jr., County Surveyor (2)  |        |        |        |        |        |

(1) Includes annual compensation received from the state of \$765 in 2004, \$900 in 2003, \$900 in 2002, and \$900 in 2001.

(2) Compensation on a fee basis.

State-Paid Officials:

|   |  |        |        |        |        |
|---|--|--------|--------|--------|--------|
| Phyllis Staley, Circuit Clerk and<br>Ex Officio Recorder of Deeds |  | 47,900 | 47,300 | 47,300 | 47,300 |
| Bradford E. Ellsworth, Associate Circuit Judge                    |  | 96,000 | 96,000 |        |        |
| John S. Beeler, Associate Circuit Judge                           |  |        |        | 96,000 | 96,000 |